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C O N F I D E N T I A L SECTION 01 OF 02 SEOUL 001865

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SUBJECT: "GLOBAL KOREA" TAKES OFF IN SOUTHEAST ASIA

Classified By: POL M/C James L. Wayman. Reasons 1.4 (b/d).

Summary and Comment

11. (C) Summary: President Lee Myung-bak's vision of a "Global Korea" has been on prominent display in Southeast Asia during 2009. A key part of that vision is the New Asia Initiative, premised on the idea that Korea can play a "bridging role" between the developed and developing world. Central to the NAI's success is a significant increase in ROK ODA, a large share of which is earmarked for Southeast Asian nations -- and Vietnam foremost among them. Comment: We will continue to urge the ROKG to include engaging Burma on human rights as part of the NAI. End summary and comment.

"Global Korea" Begins in Southeast Asia

12. (C) During the past year, President Lee Myung-bak's vision of a "Global Korea" has been on prominent display in Southeast Asia. Lee announced his New Asia Initiative (NAI) as a prelude to March summits in Indonesia and Australia, hosted the ROK-ASEAN Summit in June, and in October held summits in Vietnam and Cambodia en route to the ASEAN Summit in Thailand. While the ROK has always given high priority to relations with Japan and China -- what one MOFAT official described as the ROK's "front yard" -- the New Asia Initiative aims to devote more attention to what the same official termed Korea's "back yard."

"Bridging" Role for Emerging Economies

13. (C) At the core of the NAI is the premise that the ROK can play a "bridging role" between the developed and developing world, according to Lee Sang-ryol, Deputy Director of MOFAT's Southeast Asia Division. He asserted that as an emerging "middle power," the ROK is uniquely qualified to provide technical assistance to developing Southeast Asian countries because the ROK is "more like them" than larger, more established, developed countries. Assisting countries of similar scale in replicating the ROK's economic and political success is perhaps Seoul's greatest comparative advantage as it seeks to play a larger role in global affairs, Lee suggested.

14. (C) Also central to the NAI is a large amount of ROK Overseas Development Assistance (ODA). According to the Korea International Cooperation Agency, Seoul plans to double its ODA budget by 2012 and triple it by 2015 when measured as a percentage of GDP; final ROK 2009 ODA spending is projected to be 862 million USD. MOFAT's Lee Sang-ryol stressed that Southeast Asian nations would continue to receive a large share of the ROK's growing ODA budget.

15. (C) One of the countries that stands to benefit the most is Vietnam, currently the ROK's second largest recipient of ODA (behind only Iraq). Vietnamese Ambassador Pham Tien Van, a veteran Korea hand and fluent Korean speaker, told us that while Vietnam maintains cordial relations with Pyongyang, his guidance from Hanoi is to use the NAI to strengthen trade, people-to-people, political, and defense ties with the ROK. Echoing a point made to us by MOFAT interlocutors, Ambassador Pham noted it was Hanoi that had first proposed upgrading bilateral relations, in August of 2008, from "comprehensive" to a "strategic" partnership. The upgrade, one of the main deliverables from Lee Myung-bak's October visit, means the two sides will hold routine, senior-level dialogue on economic, political, and military issues, and regularize exchanges between vice foreign ministers and senior defense officials.

16. (C) MOFAT's Lee Sang-ryol said that the expeditious handling of a small group of North Korean refugees on the eve of President Lee's visit was another strong indicator of the increasing importance Hanoi attached to improved ties with Seoul. The Vietnamese government had discreetly allowed nine North Korean refugees, who in September had entered the Danish Embassy in Hanoi, to depart for the ROK literally minutes before President Lee's arrival. Such a gesture would have been "unthinkable" just a few years ago, Director Lee emphasized, as Hanoi would have been much more concerned

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about damaging its relations with Pyongyang.

The Thai View: Not So New

17. (C) Thai Embassy Political Officer Nattaphon Sapsinthoon, while acknowledging that ASEAN nations were clearly eager for closer ties and increased economic cooperation with the ROK, downplayed the significance of President Lee's initiative. He observed that the ROK appeared to be trying to play catch-up with Japan and China, each of which is strengthening ties with ASEAN members. He added that the NAI had a relatively narrow focus on newly emerging economies like Vietnam and Cambodia where the ROKG believes it can offer assistance based on its own successful experience. Because Thailand was further along the developmental curve, Sapsinthoon said, the NAI would have far less significance for Bangkok.

The Personal Touch

18. (C) Echoing a point made by Ambassador Pham, MOFAT's Lee Sang-ryol attributed the success of President Lee's visits to Cambodia and Vietnam to MB's Hyundai-era personal relationships with top Cambodian and Vietnamese leaders. For example, Director Lee noted that, before entering politics, MB served as an economic adviser to Cambodian Prime Minister Hun Sen. The PM highlighted his relationship with MB by giving the ROK president an extended personal tour of Angkor Wat. Similarly, Vietnamese Ambassador Pham related that MB has a strong personal bond with President Triet that was on display at a banquet during MB's visit. According to Pham, the two presidents drank 10 shots of whiskey, referring to each other as "brothers."
STEPHENS